

## MEMORANDUM OF AGREEMENT

In recognition of their mission to provide quality community-based health services to individuals regardless of their ability to pay and the need in the current competitive health care marketplace to operate through efficiencies and economies of scale, the following Health Centers agree to for the **BLANK**

The succeeding paragraphs outline key aspects of the purpose, structure, and function of the Alliance.

### Mission Statement

The mission of the **BLANK** is to share resources and integrate services in order to more efficiently and effectively deliver accessible high quality health care to the communities we serve.

### Relationship Between the Participating Organizations

The participating healthcare organizations all share a commitment to the provision of high quality primary health care, to providing care in a manner which is responsive to the particular needs of the communities they serve, and to assure that services are accessible to individuals regardless of their ability to pay.

Furthermore, the Participating Organizations have committed to continue to share information vital to planning and collaboration including information regarding strengths and weaknesses, and to utilize this knowledge and available resources to strengthen the alliance.

The Health Centers agree to treat shared information as confidential, and agree not to use this information for their own individual benefit at the expense of the participants or to disclose shared information to unauthorized entities. The participants also agree to promptly disclose any conflict of interest, which may arise in the course of **BLANK** activities. The participants agree not to discuss prices without the advice of legal counsel.

### Organizational Structure

The **BLANK** is a practice management group with resources contributed by its members or secured from outside sources jointly. Each participating organization retains its individual corporate structure and governance. The **BLANK** is a vehicle through which the organizations can engage in joint strategic planning and contribute resources in order to carry out collaborative projects.

### Planning/Oversight

Each year, a formal strategic planning retreat will be held to evaluate progress over the year and develop new goals and objectives for the coming year. Each health center is

required to assure attendance at this meeting by clinical and financial leadership, as well as the Chief Executive Officer. In constructing goals and objectives, each organization contributes its own community assessment identifying health care needs and priorities. Goals and objectives are developed based upon their impact on organization efficiency as well as upon health service delivery.

### Market Area Analysis

Initial planning for the formation of the practice management group and the selection of goals was based upon analyses derived from several independent sources. Statewide market analysis was performed by BLANK. Citywide data is derived from BLANK Department of Health Data as well as information from BLANK. Service area specific analyses were performed by the partner hospital in preparation for formation of the practice management group. Finally, a Health Center specific analysis was completed for BLANK by a private consulting firm. The expenses for this analysis were underwritten by BLANK.

### Initial Goals and Objectives

Goals and objectives for the BLANK were chosen through careful consideration of current weaknesses and strengths by a workgroup consisting of clinical, financial and executive leadership of all of the Health Centers. The following goals and objectives have been established for the initial one to three years:

#### ***Goal I: To develop shared capacity for subspecialty services.***

Objective 1: To provide access to all currently employed/contracted subspecialty practitioners to clients across all health centers.

Objective 2: To improve access to and decrease cost of BLANK services.

#### ***Goal II: To improve access to BLANK Services by clients of all Health Centers.***

Objective 1: Recruit provider of BLANK services into the network.

Objective 2: Develop comprehensive referral network.

Objective 3: Increase on-site resources.

#### ***Goal III: To develop opportunities to reduce the cost and expand scope and access to ancillary/adjunctive services.***

Objective 1: To develop and implement a common plan for BLANK services.

Objective 2: To provide BLANK services through a common system.

#### ***Goal IV: To make most efficient use of staff/resources in providing after hours and off site services.***

Objective 1: To integrate after hours call and hospital coverage.

Objective 2: To jointly develop a revenue-generating Home Health service.

Objective 3: Provide services under managed care contract at each health center.

#### ***Goal V: To establish a joint purchasing system to take advantage of economies of scale and leverage the best possible prices.***

- Objective 1: To join a purchasing group.  
Objective 2: To develop a combined, efficient purchasing/inventory system.

***Goal VI: To develop individual and collective managed care strategies with the necessary infrastructure to deliver health care in a managed care environment.***

- Objective 1: Identify and address individual and collective issues, which must be addressed for managed care delivery.  
Objective 2: Establish shared administrative capability to support managed care.

***Goal VII: To develop a joint marketing plan to increase the number of clients, services and volume, and to increase integration of our services.***

- Objective 1: Develop a joint marketing program.  
Objective 2: Establish a health education program that will provide clinical benefit for patients but also promote the Health Centers.

Joint Planning

The Health Centers agree to discuss beforehand any major steps such as major capital equipment or facility expenditure, new sites, ventures, services, hiring of high level professional staff. While each Health Center retains autonomy in decision making, this shared planning will promote the development of common strategic plans.

Decision-Making

In order to streamline decision-making, each Health Center will have one vote on a common executive operations board. The Chief Executive Officer (CEO) of each Health Center will be considered a voting member. This body will meet monthly, or as needed in special circumstances. Participation by clinical and finance staff from each health center is strongly valued. At least one Clinical Director and one Chief Financial officer must be present at each meeting for business to be conducted.

Health Center Contributions

In a spirit of cooperation, each Health Center will determine its participation in each project. Overall, each Health Center is required to contribute resources proportional to the size of its operating budget according to the following formula:

$$\frac{\text{Health Center's total operating budget}}{\text{Total of all Health Centers' operating budgets}} \times \text{Total of contributed resources by all Health Centers}$$

Contributions may consist of staff time, materials/resources, clinical services or dollars. Each Health Center will be responsible for determining and providing supporting documentation for the cost of its contributed services. These will be reviewed on a semiannual basis by a committee of all of the Chief Financial Officers and reported to the executive operations board. In the event that a particular Health Center is determined to

have made a disproportionate contribution, the Board will work with the respective CEO to determine a plan to address the disparity.

#### Use of Outside Resources

The Health Centers agree to jointly seek additional resources to be used in achieving the agreed upon objectives. Decisions to seek such funding will be that of the Operating Board; individual member organizations agree not to independently seek funds on behalf of **BLANK** activities without the knowledge and consent of the Board. Individual organizations may, as appropriate however, be designated by agreement of Alliance members as the lead or fiscal agent for a particular grant or contribution. Administrative costs for handling such funds may either be recovered by that organization from the funds or considered as part of the contributed services.

Funds obtained for the **BLANK** will be handled as common resources, and will be used at the discretion of the Operations Board. These resources will not be considered as individual Health Center contributions in applying the formula above.

#### Withdrawal from the **BLANK**

A Health Center must provide at least **BLANK** months notice of its intention to withdraw from the **BLANK**. In the event that a Health Center chooses to withdraw from the **BLANK**, the Health Center remains responsible for its share of contributed resources to complete the current year's plan.

#### Evaluation

The **BLANK** will measure success based upon:

- The degree to which any major activities or new initiatives have involved joint ventures.
- The contribution of resources by individual health centers in order to achieve the common goals.
- Achievement of stated goals and objectives.
- Participation in decision-making and planning by CEOs, Clinical Directors and Chief Financial Officers from all Health Centers.

Signed: